

353.406 Powers of natural gas acquisition authority -- Scope of project capacity.

- (1) In addition to the powers delegated to it under the agreement described in KRS 353.404(1), a gas acquisition authority shall have all powers necessary or convenient to accomplish the purposes for which it was created, including but not limited to the power to:
 - (a) Exercise all of the powers of private corporations organized under the laws of the Commonwealth, as enumerated in KRS 271B.3-020, to accomplish the purpose and intent of this section, in order to acquire, purchase, secure, and finance supplies of natural gas for sale to municipal utilities; provided, however, that a gas acquisition authority shall not have the power to provide gas supply services to retail consumers served by any public utility, cooperative utility, or municipal utility;
 - (b) Develop, undertake, acquire, construct, own, manage, and operate, or contract for the management and operation of, one (1) or more projects, in order to obtain, secure, and provide supplies of natural gas to municipal utilities;
 - (c) Contract for the purchase of natural gas from any natural gas producer or other seller, whether within or outside the Commonwealth, containing such terms and conditions and being for such period as shall be agreed to by the authority;
 - (d) Contract for the sale of natural gas to the municipal utilities that created the authority and to or for the benefit of other municipal utilities, whether within or outside the Commonwealth, containing such terms and provisions and being for such period as shall be agreed to by the authority;
 - (e) Provide to any municipal utility natural gas management, transportation, storage, and related services and technical, financial, informational, promotional, engineering, and educational services;
 - (f) Enter into all other contracts necessary or convenient in connection with any project undertaken by the authority or the services it provides to municipal utilities, including but not limited to contracts for the transportation, storage, exchange, resale, or remarketing of gas and commodity price exchange, swap, cap, floor, or collar agreements, containing such terms and provisions and being for such period as shall be agreed to by the authority;
 - (g) Include in any contract provision for the indemnification of the parties upon early termination or default thereunder for the rights and remedies of the parties to the contract to be governed by the laws of another state and consenting to the jurisdiction of the courts of the United States or another state over any action brought in connection with such contract; and
 - (h) Issue bonds to finance the cost of any project or any of the authority's purposes and as security for the payment thereof and for the performance by the authority of its contractual obligations in connection with any project, grant liens or mortgages upon or otherwise pledge, assign, or encumber any or all of its property, assets, contractual rights and interests, and all or any part of the revenues and receipts therefrom, whether then owned or thereafter acquired.

- (2) A gas acquisition authority may undertake, acquire, or construct a project with capacity or service greater than the requirements of the municipal utilities that created the authority in order to achieve economies of scale or other benefits determined by the authority, provided that any surplus or additional capacity or service shall be sold by the authority to other municipal utilities upon terms reasonably determined to provide for the full recovery of its costs.

Effective: July 15, 2008

History: Created 2008 Ky. Acts ch. 159, sec. 4, effective July 15, 2008.